

J-9-J		3/19/98	
SUBJECT: Compliance Information for RJR Customers			
DISTRIBUTION:			
<u>X</u> AVP	<u>X</u> KAM	_____	DM
<u>X</u> RSM	<u>X</u> AM	_____	RM
<u>X</u> RBM	<u>X</u> AE	_____	Sales Rep
<u>X</u> ROM		_____	Retail Rep

IMPORTANT: The following letter was U. S. mailed on March 20, 1998 to our customers who supply retailers in the state of Ohio. It is important that all RJR personnel that have direct accounts that service retailers in the state of Ohio and/or call on retail accounts within the state of Ohio comply with the information below. If you have questions, please contact your Area Finance Manager.

	<u>Sales</u>	<u>Retail</u>
1221 _____	1222 _____	
1222 _____	1223 _____	
1223 _____	1226 _____	
1224 _____	1229 _____	
1225 _____	ROM	
1226 _____	PC	SC
1229 _____	MC	PA
1240 _____		
1244 _____	RSM	RBM

J-9-J

March 19, 1998

TO OUR CUSTOMERS:

(All Accounts Who Supply Retailers in the State of Ohio)

---- IMMEDIATE ATTENTION ----

- As the result of communication from the State of Ohio Pricing Enforcement Personnel, "buydowns" which are passed through wholesalers to retailers must be properly documented to avoid problems with sales below cost.
- Specifically, checks or check stubs from R. J. Reynolds to wholesalers must show that the payment is to be used in a manufacturer's price reduction program.
 - For example, the statement "Manufacturer's Offer - \$1.50 off a carton" is to be indicated on the check stub for this type of promotion.
- On wholesaler's invoices to retailers the same type verbiage indicating that the price is reduced due to a manufacturer's promotion must be present.
- Retail signage indicating a manufacturer's price reduction program must be present.
- **All these steps must be followed in order to avoid pricing problems with the state.**

If you have questions, please contact your RJRT representative. Thank you for your cooperation and support in the marketing of our products.

R. J. REYNOLDS TOBACCO COMPANY

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